



Tuesday
November 28, 1995

Part LIII

**Federal Deposit
Insurance
Corporation**

Semiannual Regulatory Agenda

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**FEDERAL DEPOSIT INSURANCE CORPORATION****12 CFR Ch. III****Semiannual Agenda of Regulations**

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Publication of semiannual agenda of regulations.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is hereby publishing items for the October 1995 regulatory agenda. The agenda contains information about FDIC's current and projected rulemakings, existing regulations under review, and completed rulemakings.

FOR FURTHER INFORMATION CONTACT:

Persons identified under regulations listed in the agenda. Unless otherwise noted, the address for all FDIC staff identified in the agenda is Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: Twice each year, the FDIC publishes an agenda of regulations to inform the public of its

regulatory actions and to enhance public participation in the rulemaking process. Publication of the agenda is in accordance with both the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) and the FDIC statement of policy entitled "Development and Review of FDIC Rules and Regulations" (44 FR 31007, May 30, 1979; 44 FR 32353, June 6, 1979; 44 FR 76858, December 28, 1979; 49 FR 7288, February 28, 1984).

The FDIC amends its regulations under the general rulemaking authority prescribed in section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) and under specific authority granted by the Act and other statutes.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), and the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI) contain reforms that significantly restructure the regulation of financial institutions. As a consequence, many of the regulations included in this agenda are in response to FIRREA, FDICIA, and CDRI. The FDIC is continuing to

develop regulations implementing the most recent legislative requirements. These include the requirement in section 303 of CDRI that the Federal banking regulators conduct a review of all their regulations and written policies to streamline them, remove inconsistencies, improve efficiency, reduce unnecessary costs, and make uniform all regulations and guidelines implementing common statutory or supervisory policies. Specifically, proposed changes to the FDIC's regulations will be noted in future semiannual agendas as they emerge from these reviews.

Interested persons may petition the FDIC for the issuance, amendment, or repeal of any regulation by submitting a written petition to the Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429. Petitioners should include complete and concise statements of their interest in the subject matter and reasons why the petitions should be granted.

Dated: September 15, 1995.
Federal Deposit Insurance Corporation.

Jerry L. Langley,
Executive Secretary.

Prerule Stage

| Sequence Number | Title | Regulation Identifier Number |
|-----------------|---|------------------------------|
| 4540 | 12 CFR ch III Eligibility for Deposit Insurance; Being Engaged in the Business of Receiving Deposits Other Than Trust Funds and Related Items | 3064-AB40 |

Proposed Rule Stage

| Sequence Number | Title | Regulation Identifier Number |
|-----------------|--|------------------------------|
| 4541 | 12 CFR 325 Capital Maintenance—Recourse Arrangements and Direct Credit Substitutes | 3064-AB31 |
| 4542 | 12 CFR 340 Restrictions on Sale of Assets by the FDIC | 3064-AB37 |
| 4543 | 12 CFR 308 Program Fraud Civil Remedies | 3064-AB41 |
| 4544 | 12 CFR 353 Reports of Apparent Crimes Affecting Insured Nonmember Banks | 3064-AB63 |
| 4545 | 12 CFR 339 Loans in Areas Having Special Flood Hazards | 3064-AB66 |
| 4546 | 12 CFR 360 Receivership Rules | 3064-AB69 |

Final Rule Stage

| Sequence Number | Title | Regulation Identifier Number |
|-----------------|--|------------------------------|
| 4547 | 12 CFR 359 Golden Parachute and Indemnification Payments | 3064-AB11 |
| 4548 | 12 CFR 366 Contractor Ethics | 3064-AB39 |
| 4549 | 12 CFR 363 Independent Audits and Reporting Requirements | 3064-AB47 |
| 4550 | 12 CFR 308 Uniform Rules of Practice and Procedure | 3064-AB49 |

FDIC**Final Rule Stage (Continued)**

| Sequence Number | Title | Regulation Identifier Number |
|-----------------|---|------------------------------|
| 4551 | 12 CFR 325 Capital Maintenance—OECD Countries | 3064-AB54 |
| 4552 | 12 CFR 346 Foreign Banks | 3064-AB62 |
| 4553 | 12 CFR 325 Capital Maintenance; Risk-Based Capital Standards: Market Risk | 3064-AB64 |
| 4554 | 12 CFR 309 Disclosure of Information | 3064-AB67 |
| 4555 | 12 CFR 364 Standards of Safety and Soundness | 3064-AB68 |

Long-Term Actions

| Sequence Number | Title | Regulation Identifier Number |
|-----------------|---|------------------------------|
| 4556 | 12 CFR 308 Censure, Suspension, and Debarment of Independent Public Accountants | 3064-AA64 |
| 4557 | 12 CFR 354 Deposit Liabilities | 3064-AA92 |
| 4558 | 12 CFR 357 Determination of Economically Depressed Regions | 3064-AB08 |
| 4559 | 12 CFR 327 Assessments—Assessment Base | 3064-AB46 |

Completed Actions

| Sequence Number | Title | Regulation Identifier Number |
|-----------------|--|------------------------------|
| 4560 | 5 CFR 2635 Supplemental Requirements for Standards of Conduct | 3064-AA08 |
| 4561 | 12 CFR 303 Standards for Safety and Soundness | 3064-AB13 |
| 4562 | 12 CFR 325 Capital Maintenance—Interest Rate Risk | 3064-AB22 |
| 4563 | 12 CFR 360 Receivership Rules—National Depositor Preference | 3064-AB25 |
| 4564 | 12 CFR 345 Community Reinvestment | 3064-AB27 |
| 4565 | 12 CFR 325 Capital Maintenance—Risk-Based Capital Standards; Derivative Transactions | 3064-AB43 |
| 4566 | 12 CFR 339 Flood Hazard Insurance | 3064-AB51 |
| 4567 | 12 CFR 308 Uniform Rules of Practice and Procedure | 3064-AB52 |
| 4568 | 12 CFR 325 Capital Maintenance—Small Business Obligations Transferred With Recourse | 3064-AB57 |
| 4569 | 12 CFR 327 Assessments—BIF Rate Schedule | 3064-AB58 |
| 4570 | 12 CFR 327 Assessments—SAIF Rate Schedule | 3064-AB59 |
| 4571 | 12 CFR 325 Capital Maintenance—PMSRs/OMSRs | 3064-AB61 |
| 4572 | 12 CFR 327 Assessments | 3064-AB65 |

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**Prerule Stage****4540. ELIGIBILITY FOR DEPOSIT INSURANCE; BEING ENGAGED IN THE BUSINESS OF RECEIVING DEPOSITS OTHER THAN TRUST FUNDS AND RELATED ITEMS****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1815; 12 USC 1819**CFR Citation:** 12 CFR ch III**Legal Deadline:** None**Abstract:** Being “engaged in the business of receiving deposits other

than trust funds” is a necessary condition for consideration of an application for deposit insurance and for continued insurance after an application has been granted. However, the FDIC has never defined by way of regulation or policy statement what constitutes being “engaged in the business of receiving deposits other than trust funds.” The FDIC is now considering a rulemaking to do that; this regulatory action will assist the FDIC in that effort.

Timetable:

| Action | Date | FR Cite |
|--------|----------|---------|
| ANPRM | 12/00/95 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Melinda West Schwartzstein, Review Examiner, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-6919

RIN: 3064-AB40

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Proposed Rule Stage

**4541. CAPITAL MAINTENANCE—
RECOURSE ARRANGEMENTS AND
DIRECT CREDIT SUBSTITUTES****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1815; 12 USC 1816; 12 USC 1818; 12 USC 1819; 12 USC 1828; 12 USC 1831; 12 USC 3907; 12 USC 3909**CFR Citation:** 12 CFR 325**Legal Deadline:** None

Abstract: The FDIC, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision ("Agencies") are revising their risk-based capital standards to address the regulatory capital treatment of recourse arrangements and direct credit substitutes that expose banks, bank holding companies, and thrifts to credit risk. One portion of the NPRM addressing the risk-based capital treatment of low-level recourse transactions is required to be published as a separate final rule by CDRI.

In addition, the Agencies published, in an ANPRM, a preliminary proposal to use credit ratings to match the risk-based capital assessment more closely to an institution's relative risk of loss in certain asset securitizations. The Agencies are also seeking comment on the need for a similar system for unrated asset securitizations and on how such a system would be designed. The Agencies intend that any final rules adopted in connection with these regulatory actions that result in increased risk-based capital requirements would apply only to transactions that are consummated after the effective dates of such final rules.

Timetable:**Credit Ratings**

ANPRM 05/25/94 (59 FR 27116)
ANPRM Comment Period End 07/25/94
NPRM 02/00/96

Recourse/Direct Credit Substitutes

NPRM 05/25/94 (59 FR 27116)
NPRM Comment Period End 07/25/94
Final Action 06/00/96

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Robert F. Storch, Chief, Accounting Section, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-8906

RIN: 3064-AB31**4542. RESTRICTIONS ON SALE OF
ASSETS BY THE FDIC****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1819; PL 103-204**CFR Citation:** 12 CFR 340**Legal Deadline:** None

Abstract: This regulatory action implements provisions in the Resolution Trust Corporation Completion Act of 1993 that require assets held by the FDIC in the course of liquidating federally insured depository institutions not to be sold to persons who, in ways specified in the Act, contributed to the demise of the institution.

Timetable:

| Action | Date | FR Cite |
|--------|----------|---------|
| NPRM | 11/00/95 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Joseph Fellerman, Senior Liquidation Specialist (Credit), Division of Depositor and Asset Services, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-6879

RIN: 3064-AB37**4543. PROGRAM FRAUD CIVIL
REMEDIES****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1819; PL 103-204**CFR Citation:** 12 CFR 308**Legal Deadline:** None

Abstract: The Program Fraud Civil Remedies Act ("PFCRA") requires specified Federal agencies to follow certain procedures to recover penalties and assessments against persons who file false claims and statements. The Resolution Trust Corporation Completion Act (PL 103-204) subjects the FDIC to the requirements of the PFCRA. An interagency task force was established by the President's Council on Integrity and Efficiency to develop model regulations for implementing the PFCRA. This regulatory action adopts, with minor variations, the model regulations set forth by the Council's task force.

Timetable:

| Action | Date | FR Cite |
|--------|----------|---------|
| NPRM | 11/00/95 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Mark A. Mellon, Senior Attorney, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-6919

RIN: 3064-AB41**4544. • REPORTS OF APPARENT
CRIMES AFFECTING INSURED
NONMEMBER BANKS****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 248; 12 USC 625; 12 USC 1818; 12 USC 1844; 12 USC 1881 to 1884; 12 USC 3401 to 3422**CFR Citation:** 12 CFR 353**Legal Deadline:** None

Abstract: This regulatory action implements a new interagency suspicious activity referral process and updates and clarifies various portions of the underlying reporting regulation. It reduces the reporting burden while enhancing access to such information by both the federal law enforcement and the federal financial institutions supervisory agencies.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 09/14/95 | 60 FR 47719 |
| NPRM Comment Period End | 11/13/95 | |
| Final Action | 06/00/96 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Carol A. Mesheske, Chief, Special Activities Section, Division of Supervision, Federal Deposit Insurance Corporation
Phone: 202 898-6750

RIN: 3064-AB63**4545. • LOANS IN AREAS HAVING
SPECIAL FLOOD HAZARDS****Priority:** Substantive, Nonsignificant**Legal Authority:** PL 103-325**CFR Citation:** 12 CFR 339**Legal Deadline:** None

Abstract: The OCC, FRB, FDIC, OTS, and NCUA are jointly sponsoring this regulatory action regarding loans in areas having special flood hazards. This regulation is required by CDRI.

FDIC

Proposed Rule Stage

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 10/18/95 | 60 FR 53962 |
| NPRM Comment Period End | 12/18/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Mark Mellon, Senior Attorney, Federal Deposit Insurance Corporation, Washington, DC 24029
Phone: 202 898-3854

RIN: 3064-AB66

4546. • RECEIVERSHIP RULES

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1821; PL 101-73

CFR Citation: 12 CFR 360

Legal Deadline: None

Abstract: This rulemaking defines (1) spot and other short-term foreign exchange agreements and (2) repurchase agreements on qualified foreign government securities to be qualified financial contracts "QFCs" under the FDI Act, 12 USC 1811 et seq. The promulgation of this rule is not intended to exclude other agreements which otherwise may qualify as QFCs. The FDI Act provides special rules for the treatment of QFCs in the event that the FDIC is appointed receiver or conservator for an insured depository institution in default. Parties to QFCs are permitted to liquidate, terminate, and net their agreements.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 09/21/95 | 60 FR 48935 |
| NPRM Comment Period End | 11/20/95 | |
| Final Action | 05/00/96 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Sharon Powers Silvertsen, Assistant General Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429

Phone: 202 736-0112

RIN: 3064-AB69

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Final Rule Stage

4547. GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1828

CFR Citation: 12 CFR 359

Legal Deadline: None

Abstract: This rulemaking limits golden parachute and indemnification payments made to institution-affiliated parties by depository institutions and depository institution holding companies. The limitations apply to insured depository institutions in a troubled condition, and to affiliated depository institution holding companies either if the holding company itself is troubled, or if it seeks to make a golden parachute payment to an institution-affiliated party of a troubled subsidiary insured depository institution.

Timetable:

| Action | Date | FR Cite |
|--------------------------------|----------|-------------|
| NPRM | 10/07/91 | 56 FR 50529 |
| NPRM Comment Period End | 12/06/91 | |
| Second NPRM | 03/29/95 | 60 FR 16069 |
| Second NPRM Comment Period End | 05/30/95 | |
| Final Action | 12/00/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Jeffrey M. Kopchik, Counsel, Legal Division, Federal

Deposit Insurance Corporation, 550 17th Street NW., Washington, DC 20429
Phone: 202 898-3872

RIN: 3064-AB11

4548. CONTRACTOR ETHICS

Priority: Other

Legal Authority: 12 USC 1819; 12 USC 1822

CFR Citation: 12 CFR 366

Legal Deadline: None

Abstract: This regulatory action establishes standards regarding conflicts of interest and ethical responsibilities for independent contractors doing business with the FDIC. The rule is required by the Resolution Trust Corporation Completion Act of 1993.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 06/24/94 | 59 FR 32661 |
| NPRM Comment Period End | 08/23/94 | |
| Final Action | 11/00/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: James Lantelme, Assistant General Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 736-0120

RIN: 3064-AB39

4549. INDEPENDENT AUDITS AND REPORTING REQUIREMENTS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1831; PL 103-325

CFR Citation: 12 CFR 363

Legal Deadline: None

Abstract: This regulatory action implements section 314 of the CDRI. It provides relief from certain duplicative reporting requirements for sound, well-managed institutions with over \$9 billion in assets which are subsidiaries of multibank holding companies. It also provides that the FDIC will notify a large insured institution in writing if it decides a review by an independent public accountant of the institution's quarterly financial reports is required. This regulatory action also includes several minor technical amendments to the guidelines and interpretations concerning compliance with the audit requirements.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|------------|
| NPRM | 02/15/95 | 60 FR 8583 |
| NPRM Comment Period End | 04/17/95 | |
| Final Action | 10/00/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Doris L. Marsh, Examination Specialist, Division of

FDIC

Final Rule Stage

Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-8905

RIN: 3064-AB47

4550. UNIFORM RULES OF PRACTICE AND PROCEDURE

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1817; 12 USC 1818; 12 USC 1820; 12 USC 1972

CFR Citation: 12 CFR 308

Legal Deadline: None

Abstract: The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the FDIC, the Office of Thrift Supervision, and the National Credit Union Administration are jointly proposing this regulatory action to clarify provisions that have given rise to confusion and to increase the efficiency and fairness of administrative hearings. The changes are primarily technical in nature.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 06/23/95 | 60 FR 32882 |
| NPRM Comment Period End | 08/22/95 | |
| Final Action | 02/00/96 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Andrea Winkler, Counsel, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-3764

RIN: 3064-AB49

4551. CAPITAL MAINTENANCE—OECD COUNTRIES

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1815; 12 USC 1816; 12 USC 1818; 12 USC 1819; 12 USC 1828; 12 USC 1831; PL 102-203; PL 102-242

CFR Citation: 12 CFR 325

Legal Deadline: None

Abstract: This regulatory action modifies the definition of the OECD-based group of countries in the FDIC's risk-based capital guidelines. Claims on the governments and banks of this group generally receive lower risk weights than corresponding claims on the governments and banks of non-OECD based countries. This amendment is based on an

announcement by the Basle Committee on Banking Supervision that, subject to national consultation, the Basle Committee plans to introduce a change to the Basle Accord in 1995. The effect of this modification would be to exclude from the OECD-based group of countries which are eligible for the lower risk weights any country that has rescheduled its external sovereign debt within the previous five years.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|------------|
| NPRM | 02/15/95 | 60 FR 8582 |
| NPRM Comment Period End | 03/17/95 | |
| Final Action | 12/00/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Stephen G. Pfeifer, Examination Specialist, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-8904

RIN: 3064-AB54

4552. • FOREIGN BANKS

Priority: Substantive, Nonsignificant

Legal Authority: PL 103-328

CFR Citation: 12 CFR 346

Legal Deadline: Final, Statutory, September 29, 1995.

Abstract: This rulemaking implements section 107 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (PL 103-328), which provides that the FDIC restrict the amounts and types of initial deposits of less than \$100,000 which could be accepted by an uninsured state-licensed branch of a foreign bank. This rulemaking is intended to afford equal competitive opportunity to foreign and domestic banks.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 07/13/95 | 60 FR 36074 |
| NPRM Comment Period End | 09/11/95 | |
| Final Action | 10/00/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Charles V. Collier, Assistant Director, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429

Phone: 202 898-6850

RIN: 3064-AB62

4553. • CAPITAL MAINTENANCE; RISK-BASED CAPITAL STANDARDS: MARKET RISK

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1815; 12 USC 1816; 12 USC 1818; 12 USC 1819; 12 USC 1828; 12 USC 1831; PL 102-233; PL 102-242

CFR Citation: 12 CFR 325

Legal Deadline: None

Abstract: The Office of the Comptroller of the Currency, the Federal Reserve System, and the FDIC are jointly amending their risk-based capital requirements to incorporate a measure for market risk. The amendments generally apply only to institutions that have (1) total assets exceeding \$5 billion and either on-balance-sheet trading activities representing at least 3 percent of total assets or a volume of off-balance-sheet trading activities with notional amounts exceeding \$5 billion, or (2) total assets of \$5 billion or less and a volume of trading activities representing at least 10% of total assets. Capital charges for market risk will be calculated by such institutions using either their own internal value-at-risk model(s), or, alternatively, risk measurement techniques developed by supervisors. The effect of this measure is to require certain institutions to hold hold capital based on the measure of their market risk exposure.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 07/25/95 | 60 FR 38082 |
| NPRM Comment Period End | 09/18/95 | |
| Final Action | 04/30/96 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: William A. Stark, Assistant Director, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-6972

RIN: 3064-AB64

4554. • DISCLOSURE OF INFORMATION

Priority: Other

Legal Authority: 5 USC 552

FDIC

Final Rule Stage

CFR Citation: 12 CFR 309**Legal Deadline:** None

Abstract: This rulemaking accommodates changes in the organizational structure of the FDIC, provides clearer guidance to requesters of information on how to obtain records under the Freedom of Information Act, and allows the FDIC to charge appropriate fees for records.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 07/06/95 | 60 FR 35148 |
| NPRM Comment Period End | 09/05/95 | |
| Final Action | 12/00/95 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Paul A. Jeddeloh, Senior Program Attorney, Office of the Executive Secretary, Federal Deposit

Insurance Corporation, Washington, DC 20429

Phone: 202 898-7161

RIN: 3064-AB67

4555. • STANDARDS OF SAFETY AND SOUNDNESS**Priority:** Substantive, Nonsignificant**Legal Authority:** PL 102-242; PL 103-325; 12 USC 1831p-1**CFR Citation:** 12 CFR 364**Legal Deadline:** None

Abstract: The FDIC, the Office of the Comptroller of the Currency, the Federal Reserve System, and the Office of Thrift Supervision, jointly proposed asset quality and earnings standards to be added to the Interagency Guidelines Establishing Standards for Safety and Soundness, appearing as an appendix to each of the agencies' standard for

safety and soundness regulations. The agencies may require an insured depository institution to file a compliance plan for failure to meet these asset quality and earnings standards when adopted in final form.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 07/10/95 | 60 FR 35688 |
| NPRM Comment Period End | 08/24/95 | |
| Final Action | 03/00/96 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Robert W. Walsh, Manager, Planning and Program Development, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-6911

RIN: 3064-AB68

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Long-Term Actions

4556. CENSURE, SUSPENSION, AND DEBARMENT OF INDEPENDENT PUBLIC ACCOUNTANTS**Priority:** Substantive, Nonsignificant**CFR Citation:** 12 CFR 308**Timetable:**

| Action | Date | FR Cite |
|--------|----------|---------|
| NPRM | 00/00/00 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Doris L. Marsh
Phone: 202 898-8905

RIN: 3064-AA64

4557. DEPOSIT LIABILITIES**Priority:** Substantive, Nonsignificant**CFR Citation:** 12 CFR 354**Timetable:**

| Action | Date | FR Cite |
|--------|----------|-------------|
| NPRM | 11/25/88 | 53 FR 47723 |

| Action | Date | FR Cite |
|-------------------------|----------|---------|
| NPRM Comment Period End | 01/24/89 | |
| Final Action | 00/00/00 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Alan J. Kaplan
Phone: 202 898-3734

RIN: 3064-AA92

4558. DETERMINATION OF ECONOMICALLY DEPRESSED REGIONS**Priority:** Substantive, Nonsignificant**CFR Citation:** 12 CFR 357**Timetable:**

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 12/18/92 | 57 FR 60140 |
| NPRM Comment Period End | 02/16/93 | |
| Final Action | 00/00/00 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Alice Weicher
Phone: 202 898-7096

RIN: 3064-AB08

4559. ASSESSMENTS—ASSESSMENT BASE**Priority:** Substantive, Nonsignificant**CFR Citation:** 12 CFR 327**Timetable:**

| Action | Date | FR Cite |
|--------------------------|----------|-------------|
| ANPRM | 10/05/94 | 59 FR 50710 |
| ANPRM Comment Period End | 02/02/95 | |
| NPRM | 00/00/00 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: William Farrell
Phone: 703 516-5546

RIN: 3064-AB46

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

Completed Actions

4560. SUPPLEMENTAL REQUIREMENTS FOR STANDARDS OF CONDUCT**Priority:** Other**Legal Authority:** 5 USC app Ethics in Government Act of 1978; 12 USC 1819; 26 USC 1043; EO 12674; EO 12731; PL 103-204**CFR Citation:** 5 CFR 2635; 5 CFR 3201; 12 CFR 336**Legal Deadline:** None

Abstract: A rule published by the Office of Government Ethics ("OGE") at 5 CFR 2635 replaced all agency ethics rules, including the FDIC's. OGE's rule permits supplemental rules on certain conflicts of interest unique to each agency. The FDIC has published such supplemental regulations at 5 CFR 3201 relating to extensions of credit, restrictions on holding the securities of federally insured depository institutions, restrictions on the purchase of the property of failed federally insured depository institutions, interest in FDIC decisions, and related matters. This supplemental rule incorporates provisions from the FDIC Employee Responsibilities and Conduct regulation (12 CFR 336). This rulemaking is pursuant to section 19(a) of the Resolution Trust Corporation Completion Act.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 07/12/94 | 59 FR 35480 |
| NPRM Comment Period End | 09/12/94 | |
| Final Action | 04/25/95 | 60 FR 20171 |
| Final Action Effective | 05/25/95 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Katherine A. Corigliano, Assistant Executive Secretary (Ethics), Office of the Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429

Phone: 202 898-7272

RIN: 3064-AA08

4561. STANDARDS FOR SAFETY AND SOUNDNESS**Priority:** Substantive, Nonsignificant**Legal Authority:** PL 102-242, sec 132**CFR Citation:** 12 CFR 303; 12 CFR 308; 12 CFR 364**Legal Deadline:** Final, Statutory, August 1, 1993.

Final regulations must be promulgated by 08/01/93, with an effective date no later than 12/01/93.

Abstract: Section 132 of FDICIA requires Federal financial institutions regulators, including the FDIC, to prescribe by regulation certain safety and soundness standards for insured depository institutions and depository institution holding companies. Standards must be prescribed in three principal areas: (1) operational and managerial; (2) asset quality and earnings; and (3) employee compensation. Under this regulatory action, an insured depository institution or depository institution holding company that fails to meet any of the prescribed standards, will be required to submit and implement an acceptable plan to achieve compliance. Failure to submit or implement such a plan within the time allowed will result in an order to correct the deficiency.

Timetable:

| Action | Date | FR Cite |
|--------------------------|----------|-------------|
| ANPRM | 07/15/92 | 57 FR 31336 |
| ANPRM Comment Period End | 09/14/92 | |
| NPRM | 11/18/93 | 58 FR 60802 |
| NPRM Comment Period End | 01/03/94 | |
| Final Action | 07/10/95 | 60 FR 35674 |
| Final Action Effective | 08/09/95 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Robert W. Walsh, Examination Specialist, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429

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RIN: 3064-AB13

4562. CAPITAL MAINTENANCE—INTEREST RATE RISK**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1815; 12 USC 1816; 12 USC 1818; 12 USC 1819; 12 USC 1828; 12 USC 1831; 12 USC 3907; 12 USC 3909; PL 102-233; PL 102-242**CFR Citation:** 12 CFR 325**Legal Deadline:** Final, Statutory, June 19, 1993.

Abstract: This rule implements that part of section 305 of FIRREA which requires each Federal banking agency

to revise its risk-based capital standards for insured depository institutions to ensure that those standards take adequate account of interest rate risk. This regulatory action is being pursued jointly with the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System.

Timetable:

| Action | Date | FR Cite |
|--------------------------|----------|-------------|
| ANPRM | 08/10/92 | 57 FR 35507 |
| ANPRM Comment Period End | 10/09/92 | |
| NPRM | 09/14/93 | 58 FR 48206 |
| NPRM Comment Period End | 10/29/93 | |
| Final Action | 08/02/95 | 60 FR 39490 |
| Final Action Effective | 09/01/95 | |

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: William A. Stark, Assistant Director, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429

Phone: 202 898-6972

RIN: 3064-AB22

4563. RECEIVERSHIP RULES—NATIONAL DEPOSITOR PREFERENCE**Priority:** Other**Legal Authority:** 12 USC 1821**CFR Citation:** 12 CFR 360**Legal Deadline:** None

Abstract: On August 10, 1993, Congress amended section 11(d)(11) of the FDI Act to establish priorities for paying claims against failed institutions. The priorities are as follows: (1) administrative expenses of the receiver, (2) deposit liabilities, (3) other general or senior liabilities, (4) subordinated debts, (5) shareholders' obligations. This regulatory action clarifies the requirements of the statute regarding the expenses that may be included as administrative expenses of the receiver.

Timetable:

| Action | Date | FR Cite |
|---------------------------------------|----------|-------------|
| Interim Final Rule | 08/13/93 | 58 FR 43069 |
| Interim Final Rule Effective Date | 08/13/93 | |
| Interim Final Rule Comment Period End | 10/12/93 | |
| Final Action | 07/10/95 | 60 FR 35487 |
| Final Action Effective | 07/10/95 | |

Small Entities Affected: None

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Government Levels Affected: None

Agency Contact: Stephen N. Graham, Associate Director, Division of Liquidation, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-7377

RIN: 3064-AB25

4564. COMMUNITY REINVESTMENT

Priority: Substantive, Nonsignificant

Legal Authority: PL 95-128

CFR Citation: 12 CFR 345

Legal Deadline: None

Abstract: The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the FDIC, and the Office of Thrift Supervision developed new regulations and standards for procedures assessing a financial institution's performance under the Community Reinvestment Act (CRA). The agencies' goal is to reform CRA regulations and supervision in order to improve performance, clarify standards, and make CRA performance assessments more objective.

Timetable:

| Action | Date | FR Cite |
|---|----------|-------------|
| ANPRM | 08/19/93 | 58 FR 44138 |
| NPRM | 12/21/93 | 58 FR 67466 |
| NPRM Comment Period End | 03/24/94 | 59 FR 5138 |
| Second NPRM | 10/07/94 | 59 FR 51232 |
| Second NPRM Comment Period End | 11/21/94 | |
| Final Action 12 CFR 345.3 through 345.7, and 345.51 | 05/04/95 | 60 FR 22156 |
| Final Action Effective | 07/01/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Janice Smith, Associate Director, Division of Compliance and Consumer Affairs, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-6777

RIN: 3064-AB27

4565. CAPITAL MAINTENANCE—RISK-BASED CAPITAL STANDARDS; DERIVATIVE TRANSACTIONS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1815; 12 USC 1816; 12 USC 1818; 12 USC 1819; 12

USC 1828; 12 USC 1831; 12 USC 3907; 12 USC 3909

CFR Citation: 12 CFR 325

Legal Deadline: None

Abstract: The FDIC, the OCC, and the FRB are amending their risk-based capital standards to implement a revision to the Basle Accord. The effect of this revision is twofold. First, long-dated interest rate and exchange rate contracts are subject to higher conversion factors and new conversion factors are set forth that specifically apply to derivative contracts related to equities, precious metals, and other commodities. Second, institutions are permitted to recognize a reduction in potential future credit exposure for transactions subject to qualifying bilateral netting arrangements.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 10/19/94 | 59 FR 52714 |
| NPRM Comment Period End | 12/05/94 | |
| Final Action | 09/05/95 | 60 FR 46170 |
| Final Action Effective | 10/01/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: William A. Stark, Assistant Director, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
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RIN: 3064-AB43

4566. FLOOD HAZARD INSURANCE

Priority: Substantive, Nonsignificant

Legal Authority: PL 103-325

CFR Citation: 12 CFR 339

Legal Deadline: None

Abstract: This regulatory action requires depository institutions to use the Standard Flood Hazard Determination Form in determining whether real property offered as collateral for a loan is located in a special flood hazard area. The FDIC's regulation was published jointly with the Office of the Comptroller of the Currency, the Federal Reserve System, the Office of Thrift Supervision, the Farm Credit Administration, and the National Credit Union Administration.

Timetable:

| Action | Date | FR Cite |
|------------------------|----------|-------------|
| Final Action | 07/06/95 | 60 FR 35286 |
| Final Action Effective | 01/02/96 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Barbara L. Boehm, Consumer Affairs Specialist, Division of Compliance and Consumer Affairs, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-3539

RIN: 3064-AB51

4567. UNIFORM RULES OF PRACTICE AND PROCEDURE

Priority: Other

Legal Authority: 5 USC 504; 5 USC 554 to 557; 12 USC 1815; 12 USC 1817; 12 USC 1818; 12 USC 1820; 12 USC 1828; 12 USC 1829; 15 USC 781

CFR Citation: 12 CFR 308

Legal Deadline: None

Abstract: This amendment clarifies that the rules relating to ex parte communications do not apply to intra-agency communications, which are governed by a separate provision of the Administrative Procedure Act. The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and the National Credit Union Administration have all separately proposed similar changes.

Timetable:

| Action | Date | FR Cite |
|-------------------------|----------|-------------|
| NPRM | 11/29/94 | 59 FR 60921 |
| NPRM Comment Period End | 12/29/94 | |
| Final Action | 05/10/95 | 60 FR 24761 |
| Final Action Effective | 06/09/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Andrea Winkler, Counsel, Legal Division, Federal Deposit Insurance Corporation, Washington, DC 20429
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RIN: 3064-AB52

4568. CAPITAL MAINTENANCE—SMALL BUSINESS OBLIGATIONS TRANSFERRED WITH RECOURSE

Priority: Substantive, Nonsignificant

Legal Authority: PL 103-325

CFR Citation: 12 CFR 325

Legal Deadline: None

Abstract: This rulemaking has the effect of lowering the capital

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requirement on certain small business obligations transferred with recourse. It implements section 208 of CDRI.

Timetable:

| Action | Date | FR Cite |
|---|----------|-------------|
| Final Action | 08/31/95 | 60 FR 45606 |
| Comments on this interim rule are due by 8/30/95. | | |

Final Action Effective 08/31/95

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Stephen G. Pfeifer, Examination Specialist, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
Phone: 202 898-7049

RIN: 3064-AB57

4569. ASSESSMENTS—BIF RATE SCHEDULE

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1441; 12 USC 1817 to 1819

CFR Citation: 12 CFR 327

Legal Deadline: None

Abstract: This rule establishes a new assessment rate schedule of 4-31 basis points for institutions whose deposits are subject to assessment by the Bank Insurance Fund ("BIF"). The new schedule applies beginning on the first day of the month after the month in which the BIF achieves the designated reserve ratio ("DRR") of 1.25 percent of total deposits. Further this rule widens the assessment rate spread from 8 basis points to 27 basis points. Finally, the rule establishes a procedure for adjusting the rate schedule semiannually by means of an adjustment factor of plus or minus 5 basis points as necessary to maintain the DRR at 1.25 percent.

Timetable:

| Action | Date | FR Cite |
|------------------------|----------|-------------|
| NPRM | 02/16/95 | 60 FR 9270 |
| NPRM Comment | 02/16/95 | 60 FR 9270 |
| Period End 04/17/95 | | |
| Final Action | 08/16/95 | 60 FR 42680 |
| Final Action Effective | 09/15/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Frederick S. Carns, Chief, Financial Markets Section, Division of Research, Federal Deposit

Insurance Corporation, Washington, DC 20429

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RIN: 3064-AB58

4570. ASSESSMENTS—SAIF RATE SCHEDULE

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1441; 12 USC 1817 to 1819

CFR Citation: 12 CFR 327

Legal Deadline: None

Abstract: This rule retains the existing assessment rate schedule of 23-31 basis points, depending on risk classification, for institutions whose deposits are subject to assessment by the Savings Association Insurance Fund.

Timetable:

| Action | Date | FR Cite |
|------------------------|----------|-------------|
| NPRM | 02/16/95 | 60 FR 9266 |
| NPRM Comment | 04/17/95 | |
| Period End | | |
| Final Action | 08/16/95 | 60 FR 42741 |
| Final Action Effective | 09/15/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: James R. McFadyen, Senior Financial Analyst, Division of Research and Statistics, Federal Deposit Insurance Corporation
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RIN: 3064-AB59

4571. • CAPITAL MAINTENANCE—PMSRS/OMSRs

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1815; 12 USC 1816; 12 USC 1818; 12 USC 1819; 12 USC 1828; PL 102-242

CFR Citation: 12 CFR 325

Legal Deadline: None

Abstract: This regulatory action amends the capital adequacy standards for banks, bank holding companies, and savings associations to treat originated mortgage servicing rights ("OMSRs") the same as purchased mortgage servicing rights ("PMSRs") for regulatory capital purposes. The rule was developed together with the Federal Reserve System, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision, in response to the Financial Accounting Standards Board's issuance of

Statement No. 122, "Accounting for Mortgage Servicing Rights," which eliminates the distinction between OMSRs and PMSRs by requiring OMSRs to be capitalized as balance sheet assets, a treatment previously required only for PMSRs.

Timetable:

| Action | Date | FR Cite |
|------------------------|----------|-------------|
| Final Action | 08/01/95 | 60 FR 39226 |
| Final Action Effective | 08/01/95 | |

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Stephen G. Pfeifer, Examination Specialist, Division of Supervision, Federal Deposit Insurance Corporation, Washington, DC 20429
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RIN: 3064-AB61

4572. • ASSESSMENTS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1441; 12 USC 1817 to 1819

CFR Citation: 12 CFR 327

Legal Deadline: None

Abstract: This regulatory action changes assessment procedures in three ways. First, it delays the collection date for the first quarterly assessment for the first semiannual period. Second, it gives insured institutions the option of prepaying the first quarterly payment during the prior December. The FDIC's purpose in making these two changes is to relieve certain institutions of the regulatory burden of having to make an extra assessment payment in 1995, while at the same time affording flexibility to other institutions to make such a payment if they so desire. Third, the rulemaking replaces the interest rate applied to underpayments and overpayments of assessments with a new, more sensitive rate derived from the three-month Treasury bill discount rate, making the rate more sensitive to market conditions.

Timetable:

| Action | Date | FR Cite |
|------------------------|----------|-------------|
| NPRM | 08/10/95 | 60 FR 40776 |
| NPRM Comment | 09/11/95 | |
| Period End | | |
| Final Action | 09/29/95 | 60 FR 50400 |
| Final Action Effective | 09/29/95 | |

Small Entities Affected: None

Government Levels Affected: None

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RIN: 3064-AB65

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